

Housing Authority of Baltimore City
A Moving To Work Agency

The MTW Annual Plan for F Y 2018

30-Day Notice & Comment Periods:
February 28th, 2017 through March 30th, 2017

Public Meeting:
March 22nd, 2017 and
October 31st, 2017
201 N. Aisquith Street
Baltimore, MD. 21202
6:00pm - 8:00 pm

**Approved by the HABC Board of Commissioners April 11, 2017,
Submitted to HUD April 12, 2017, October 6, 2017 and December 1,
2017**

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I. Introduction and Overview

Pursuant to Section 239 of title II, Division L of the 2016 Consolidated Appropriations Act (P.L. 114-113) the Housing Authority of Baltimore City (“HABC”) Moving to Work (“MTW”) Agreement with the US Department of Housing and Urban Development (“HUD”) was modified and extended through June 30, 2028. HABC has been a full participant in the MTW program since 2005 and entered into its first ten-year MTW Agreement effective December 24, 2008.

MTW is a national demonstration program authorized by Congress which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher (“HCV”) programs. The MTW statutory objectives include the following:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the statutory objectives.

This document is the MTW Annual Plan for Fiscal Year 2018, which is the period from July 1, 2017 to June 30, 2018. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

In order to provide the public and HUD with a more detailed view of HABC’s overall plans and strategies, this Annual Plan includes discussions of both MTW activities and other activities which do not specifically require MTW authority to implement. It also references and details proposed changes to both the HCV Administrative Plan and the Public Housing Admissions & Continued Occupancy Policies (“ACOP”).

Overview of FY 2018 Objectives and Activities

As of the Annual Plan’s submission to HUD,(April 14, 2017), HUD has not announced final calendar year 2018 funding for critical programs administered by HABC including the Public Housing Operating Fund and Housing Choice Voucher Program. Thus, the programs and initiatives described herein may need to be modified based on final funding decisions.

A. Short-Term Goals and Objectives

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2018, HABC will continue to work towards these overarching goals through a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major non-MTW initiatives for the year ahead include:

- Public Housing Occupancy – HABC projects that it will achieve a 97% adjusted occupancy rate in its public housing developments.
- Leased Housing Lease Ups – By the end of FY2018, HABC projects it will have a total of 17,455 units under lease including Thompson and all other programs.
- Project Based Vouchers – An estimated 342 additional housing units will be leased under HABC's PBV program.
- HABC received a letter from HUD dated November 19, 2013 approving the inclusion of project-based vouchers and other affordable housing development options for HABC's development methods. We have obligated the Replacement Housing Factor Funds for grant years 2010 through 2014 for approximately \$17.7 million. Our projects include the new construction of scattered site handicap accessible units, the redevelopment of O'Donnell Heights; Phase I-B, Planning Fees for Perkins Homes and the Rental Assistance Demonstration Program (RAD) and RAD related construction work at McCulloh Homes. HABC anticipates spending approximately \$2.6 million in FY2018-on-these-projects.

Additionally, HABC has received authority to accumulate the 2015, 2016 and 2017 Replacement Housing Factor (RHF) Funds for approximately \$4.9 million. These funds will be used in accordance with redevelopment methods that comply with the new Capital Fund rules involving the development of new affordable housing and the RAD Program. Projects currently being considered include replacement housing for Hollander Ridge and gap financing for the RAD conversions of J. Van Story Branch and Somerset Court Extension.

- Portfolio Planning – HABC will continue refining its portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, (see page 25) and identifying a framework for future development activity. As a result of our findings in HABC's portfolio wide asset review, we have updated the Asset Management table (Appendix B) to identify sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources. Both traditional and non-traditional sources of funding will be assessed including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments.
- In July 2013, HUD revised requirements for RAD, which made the program more beneficial for public housing authorities. RAD provides for the conversion of public housing units by replacing public housing subsidy with Section 8 or Project Based Rental

Assistance (“PBRA”) subsidy. The HABC RAD conversions have been combined with other resources such as Low Income Housing Tax Credits (“LIHTC”) to raise needed capital for the renovation of the converted public housing units. As such, during a 4 year period, the RAD program will bring over \$320 million of new investment, thereby preserving thousands of affordable housing units. The majority of the renovation work under RAD will involve HABC’s mixed population buildings throughout the city that serve the elderly and the non-elderly persons with disabilities (“NEDs”).

On December 24, 2013, HUD approved HABC's request for a portfolio award under RAD to cover 22 public housing developments (the "**RAD Projects**"), allowing for rehabilitation of the developments and the continued operation as affordable housing. HABC plans to convert 4,134 mixed-population, family and elderly preference units to RAD. Fifty-nine (59) mixed-population units will remain in HABC’s inventory.

In order to maximize the capital for rehabilitation of the RAD Projects, tax exempt bonds and LIHTC funds will be a portion of the construction financing. To utilize LIHTC, each of the RAD Projects must be conveyed to owner entities comprised of the selected developers and subsidiaries of HABC as the general partners and the LIHTC investor limited partners.

On May 28, 2014, HABC created the Baltimore Affordable Housing Development, (“BAHD”) as a subsidiary to facilitate development activities, including the development projects approved by HUD for RAD and other affordable housing development activities in Baltimore City. BAHD applied for and was awarded tax-exempt status under 501(c)(3) of the Internal Revenue Code.

As part of the transactions, HABC intends for BAHD to be the entity that conveys to the above-described owner entities a leasehold interest in the land through a long-term ground lease and a fee simple interest in the improvements on the land. In addition to the long term ground lease with BAHD, the RAD Projects will be subject to a recorded RAD Use Agreement which will ensure the long term affordability of the RAD Projects.

In addition, HABC will be party to certain agreements governing the administration of the centralized waiting list to ensure that the RAD Projects are operated in accordance with the requirements of RAD and HABC.

There will be 6,550 public housing units remaining after the RAD conversions are completed. Of the 6,550 remaining public housing units:

- 343 UFAS compliant units (270 in the conventional family developments, 31 scattered site units and 42 new construction units) have been certified;
- An additional 23 near-UFAS compliant units (created pursuant to the Bailey Consent Decree) have been certified;
- Pursuant to the Bailey Consent Decree, HABC has created 53 long term affordable (“LTA”) new construction UFAS units; and
- An additional 43 new construction UFAS units are either under construction or in the pipeline (2 of these 43 units will be public housing units and the remaining 41 units will be LTA units).

Pursuant to the Bailey Consent Decree, the LTA units “are the equivalent of public housing ...if the households residing in them receive any and all rights, privileges, and benefits that are provided to HABC’s public housing residents or applicants.” The parties negotiated the LTA Criteria for the LTA units to provide households living in the LTA units the same rights, privileges and benefits that are equivalent to those available to public housing residents. The LTA units must be occupied from HABC’s reasonable accommodation transfer waiting list, which consists of HABC residents who have been approved for a reasonable accommodation transfer, and by applicants on HABC’s applicant waiting list.

Thus, HABC will have a total of 439 UFAS units and 23 near-UFAS units for a total of 462 units, which is 7% of the remaining public housing units.

The following Phase II properties are expected to convert under RAD during FY 2018:

1. Monument East
2. Somerset Court Extension
3. Rosemont Tower
4. J. Van Story Branch (West Twenty)
5. Hillside
6. Heritage Crossing
7. Thompson 58
8. Townes at the Terraces
9. Arbor Oaks

To maximize the RAD Program, HABC will sell the properties to qualified affordable housing developers. By statute, the new owners are required to maintain the units for the same population and all current residents will have the choice to return to the same property upon completion of significant renovations, or remain in HABC’s conventional public housing program. All future residents will come from the HABC reasonable accommodation transfer waiting list and the HABC public housing waiting list.

- Resident Services – HABC plans to serve its public housing residents through a wide array of self-sufficiency, personal development and supportive service program offerings including a Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.
- Capital Planning – HABC will continue its program of capital improvements and development activities. Major highlights include window and roof replacements; domestic hot water replacements and upgrades, sump pump repairs and installations; feasibility studies involving the upgrades to electrical distribution systems and replacement, heating upgrades, repair and replacement of playgrounds and athletic courts, vacancy renovations, painting, and kitchen and bathroom upgrades at HABC family and scattered sites. HABC will also implement an Environmental Performance Contract (“EPC”) Program designed to provide energy savings throughout HABC’s communities.

- Development activities also involve the acquisition/or development of 110 affordable housing units and the development of O'Donnell Heights Phase 1-B where the new construction of 68 affordable rental units is underway. HABC is providing 34 project-based vouchers for returning residents, non-elderly persons with disabilities and households needing the features of UFAS compliant units. The remaining 34 units will be affordable to households earning less than 60% of the area median. The project is now under construction. Pursuant to HABC's MTW Agreement, as amended, HABC's RHF Funds will also provide a source of funding to the project in the form of a loan to the owner entity to support the developments costs, including a portion of which will be used as collateral for the tax-exempt bond debt.

HABC projects MTW and Non-MTW capital expenditures of approximately \$48.8 million in the coming year. HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant.

Major MTW initiatives for the year ahead include:

- **Landlord Communications and Payment Methods** - Currently, HABC communicates with landlords in a variety of formats, including email, fax, US mail and phone. HAP payments are delivered via direct deposit or sent in a check via US mail. The time and cost to prepare print, and mail landlord/owner notices, payments, inspection results and other communications is administratively and financially burdensome. In FY2018, HABC will require that all HCV landlord/owners receive all communications from HABC electronically. Further, HABC will require landlord/owners to receive HAP payments via direct deposit only. Approximately 41 of the 3,300 landlords still receive paper checks.

In the event that a landlord/owner opts out of the electronic delivery/direct deposit requirement, using its MTW authority, HABC will charge the owner an administrative fee. The administrative fee structure will be two tiered, one fee for paper delivery of letters, notices, reports, etc. and another fee for paper checks. Implementation of this communications initiative is in accordance with the Paperwork Reduction Act of 1995. HABC will amend the HAP contract to reflect this requirement. HABC will apply this policy to all paper statements, letters, inspection reports, and Housing Assistance payments.

In FY 2018, HABC will continue to work closely with the Mayor's Office and other stakeholders to implement the Journey Home, Baltimore's Ten Year Plan to End Homelessness. HABC will continue to play a major role in the planning and implementation of this comprehensive, multi-disciplinary long-term initiative. Though most of the initiatives implemented do not require HABC to use its MTW Authority, virtually all of HABC's program activities help to support the goals of preventing and reducing homelessness in the City by providing quality, affordable housing to extremely low income families who would be at risk of homelessness without HABC's resources. HABC's commitment to the Mayor's initiative includes the following targeted initiatives:

- **Housing First Homeless Initiative** – This initiative does not require MTW Authority as HABC provides up to 850 Housing Choice Vouchers to eligible chronically homeless households referred by the Mayor's Office of Human Services (MOHS) Homeless Services

Program. Participants use their vouchers to find affordable permanent housing, while receiving supportive services from MOHS and other agencies. Two-hundred (200) of these vouchers have been set-aside for a rolling RFP for project-based units dedicated to the homeless population.

- Re-Entry Program – This program links permanent housing with supportive services to assist up to 250 homeless individuals and families with an ex-offender household member. Referrals are made to HABC by the Mayor’s Office of Human Services (MOHS) Re-Entry Program Coordinator. MTW Authority is not required for this initiative.
- Eviction Prevention – In Failure to Pay (“FTP”) court cases HABC has implemented an eviction prevention program prior to the family’s right to redeem the property is foreclosed upon. This program assists existing HABC residents with meeting their lease responsibilities and avoiding eviction action. Families are referred to Guidewell Financial Solutions, an agency that provides budgeting, credit repair, homeownership counseling, workshops and one-on-one counseling for public housing residents.

In addition, HABC selected Global Express a rent payment processing service that offers residents several options to pay their rent without having to purchase a money order. Tenants are able to go to several participating local vendor agents that are in the Global payment network. The agent network is the cornerstone that allows in-person payments to be made efficiently and timely. Residents may pay in cash, whereupon a receipt is provided and their rent credited as of the date paid. Global also offers Mobile Payments: the ability to pay anywhere and at any time including online.

This initiative continues to have a significant impact in preventing homelessness by reducing the number of HABC families evicted for lease violations or non-payment. As State law provides for the Right to Foreclose Redemption of HABC property, no MTW Authority is needed.

- Memorandum of Understanding (“MOU”) – In Breach of Lease (“BOL”) court actions HABC may enter into an MOU with the family found to be in non-compliance with the HABC Dwelling Lease. The MOU will set forth the conditions under which the family will cure the non-compliance and remain in the unit. No MTW Authority is required for this activity.

HABC was a party to two (2) consent decrees as described below. In order to meet its obligations as stipulated under each decree (one of which is actually a Settlement Agreement), HABC will undertake the following initiatives:

The Thompson Settlement Agreement

In 1995 a class action entitled *Thompson v. HUD*, No. MJG 95-309, was filed in U.S. District Court for the District of Maryland against the HABC, the City of Baltimore and HUD. The plaintiffs alleged that African-American residents of and applicants for public housing and Section 8 vouchers had been discriminated against based upon their race. Certain parts of the case were settled by the parties through a Partial Consent Decree (the “Thompson PCD”) approved by the District Court in

June 1996.

In November 2012, the District Court approved a final Settlement Agreement. The Thompson Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 (“Thompson Remedial Vouchers”), in addition to the 1,788 Housing Choice Vouchers already utilized under the Thompson PCD (“Thompson PCD-Leased Vouchers”). The Settlement Agreement also provides for the continuation of the *Thompson* Homeownership Voucher Program. The Baltimore Regional Housing Program (“BRHP”) administers the Thompson Remedial and Partial Consent Decree Vouchers. As such, the use of MTW Authority is often used to promote the three (3) statutory objectives.

All Thompson Remedial, and PCD-Leased, and Homeownership Vouchers must be used in Communities of Opportunity throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement.

Hollander Ridge HOPE VI Project – The Thompson Settlement Agreement also provides that HABC will acquire and rehabilitate approximately 100 units in scattered sites locations in Baltimore City identified in the Thompson Settlement Agreement. Once acquired, they will be public housing rental units until such time as HUD approves the conversion of the Hollander Ridge units under RAD. Upon HUD’s approval of HABC’s FY 2017 Annual Plan as amended, HABC will exercise its MTW authority to certify and acquire the units without prior HUD approval.

Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are to be used to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O’Donnell Heights residents.

Pursuant to the Thompson Settlement Agreement, HABC will also make available the equivalent of \$7,140,000 (“Replacement Funds”). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge (“HOPE VI Funds”) to develop one or more scattered site projects. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

Pursuant to Section 504 of the Rehabilitation Act of 1983 and HUD’s implementing regulations, at least five-percent (5%) of the units acquired under the Hollander Ridge Revitalization Plan will meet federal accessibility requirements for wheelchair users and HABC will require the developer to make 2% of the Hollander Ridge units hearing/vision compliant. Once the units have been acquired and an assessment completed, HABC will determine which units will be wheelchair accessible.

The Thompson Settlement Agreement supersedes the Thompson PCD, which included a provision that prohibited HABC from using public housing capital and operating funds to create public housing units in impacted areas in Baltimore City, as defined in the Thompson PCD. The Thompson Settlement Agreement removed this prohibition and, therefore, HABC is no longer prohibited from creating public housing units in these areas.

Required information on the programs under Thompson, ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan.

The Bailey Consent Decree as amended by the Bailey Supplemental Decree (the “Bailey Decree, as amended”)

The plaintiffs in the *Bailey* case are persons with disabilities who are current or former residents of or applicants for HABC’s housing programs. To date, 741 of the required 756 UFAS units required by the Bailey Decree, as amended have been created and certified. These 741 units include 35 UFAS compliant homes for persons with mobility impairments that HABC had newly constructed and which are now in HABC’s scattered sites inventory. These 35 units are located throughout various neighborhoods within Baltimore City.

An additional 15 UFAS units must be created. Two of these 15 UFAS unit will be newly constructed scattered sites units. The remaining 13 UFAS units will be created through Baltimore City LIHTC projects and are under construction or in the pipeline. These 13 units will be those UFAS units that exceed 5% UFAS unit requirement for each LIHTC project.

As of March 9, 2017, 462 of the 500 project based units for Non-elderly Persons with Disabilities (“NEDs”) had been created and occupied by NEDs pursuant to the Bailey Decree as amended. The remaining 38 units are being constructed or are in the pipeline.

As of March 9, 2017, 73 of the 100 long term affordable NEDs units had been created and occupied by NEDs pursuant to the Bailey Decree as amended. The remaining 27 units will be created in the Hollander Ridge project, O’Donnell Heights 1B redevelopment project and Somerset Ext. RAD project.

Other short-term initiatives include the development of approximately seventeen units that, pursuant to the Bailey Consent Decree, will meet the Uniform Federal Accessibility Standards (“UFAS”) and the 2010 Americans with Disabilities Act (“ADA”) Standards for Accessible Design. Finally, 10 NED units will be created through the acquisition and rehabilitation of units in neighborhoods identified in the Bailey Supplemental Decree.

Information on HABC’s obligations under Bailey is incorporated into the remaining chapters of the Annual Plan.

B. Long-Term Goals and Objectives

In its initial request for MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self-sufficiency.

HABC is committed to creating new affordable housing opportunities for City residents at a wide range of incomes. Within its financial constraints, HABC plans to replace lost public housing units through the production of new homes for existing public housing residents and others with incomes that would qualify for public housing. In its redevelopment efforts, HABC will strive to create vibrant, mixed-income neighborhoods that will benefit both local residents and the wider community.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to preserve approximately 800 public housing units between June 2006 and December 2016. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources have been shifted back to the Housing Choice Voucher program which has resulted in serving 4,078 more households during the same period (excludes Substantial Rehab, New Construction, VASH and Thompson PCD and Remedial Vouchers).

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, which is continuing into FY 2018, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other existing long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants and Public Housing residents. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- The continuation of Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has implemented a Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein.
- Pursuant to MTW authority, HABC modified its LTA Program to promote the long term affordability of units. Under this initiative, HABC entered into LTA Project Based Voucher contracts with developers/owners for some or all units to be developed on distressed former public housing sites, in rehabilitated or existing units in tax credit developments and through other development methods. LTA contracts are for a minimum forty (40) year term. The LTA units shall be managed and operated primarily in accordance with the HUD regulations

governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA units will be subsidized with project based voucher funds.

II. General Housing Authority Operating Information

This section of the Annual Plan provides required information on HABC's current inventory, projected leasing activities and waiting lists for both the Public Housing and HCV programs. It includes details on planned changes to the housing stock as a result of new development, and demolition and disposition efforts. Additional data regarding the general operation of HABC's programs can be found in Appendix J. Planned significant capital expenditures are also summarized in this section.

A. Public Housing Inventory

Current Leasing - All HABC public housing units are included in the MTW Block Grant. As of December 31, 2016, 9,251 units are under an Annual Contributions Contract ("ACC") with the HUD, 7,999^[1] of which are available for occupancy. As a total of 7,503 households currently reside in public housing – HABC's adjusted occupancy rate is 94%.^[2] Because of the MTW Agreement requirement to submit the Annual Plan 75 days prior to the end of the fiscal year, the numbers provided as of December 31, 2016 will assist HABC in determining its anticipated inventory at the beginning of the year. In addition, HABC has 150 vacant units under contract that in most cases need capital related work to re-occupy and which will be completed during the 2nd quarter of FY 2018. HABC has restructured its labor force to create efficiencies related to unit preparation.

Projected leasing – HABC's projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2018 will be 97%. The total number of units under an ACC with HUD will be 7,710 as of June 30, 2017 and 6,550 as of June 30, 2018, 6,325 of which will be available for occupancy. The total number of MTW public housing units to be leased as of June 30, 2018 is 6,135³ (the decrease in leased units is due to the RAD conversion of 1,218 public housing units in FY 2018).

Demolition/Disposition of Public Housing Units – During Fiscal Year 2018, HABC will continue its asset review of the scattered sites inventory. The results of this process will provide a roadmap and framework for future demolition and/or disposition of obsolete units. HABC anticipates that investments and development activities will result in the demolition and/or disposition of an additional 442 scattered sites units in FY2018.

HABC's participation in the RAD program will result in the conversion of 4,134 Public Housing units to PBRA. The charts below provide information on anticipated changes to the current inventory in Fiscal Year 2018. The matrix entitled "Planned New Public Housing Units to be

^[1] Available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 902.22. These exempt units include units: a) undergoing renovation and/or vacated due to consent decree mandated alterations; b) undergoing modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration

^[2] Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

^[3] HABC continues to reconcile the number of ACC units in its inventory with those listed in PIC. The projected number of units to be leased as of June 30, 2017 and June 30, 2018 are based on the number of ACC units in PIC as of December 31, 2016 which was adjusted for lost units under RAD and vacant and exempt units under 24 CFR 901.5. HABC anticipates the reconciliation of ACC units will be complete in FY2018.

Added During the Fiscal Year,” identifies 100 public housing (ACC) units projected to be added to the public housing inventory in FY 2018, which HABC anticipates will be converted to PRBR units under RAD.

HABC projects that a total of 1,218 public housing units will be converted under RAD and 442 non-viable, obsolete units will undergo disposition and/or demolition from the public housing inventory during FY 2018.

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type*	# of UFAS Units	
	0	1	2	3	4	5	6 +			Fully Accessible	Adaptable
MD002/TBD Hollander Ridge Replacement Units	0	20	30	40	10	0	0	100	General	5	0

Total Public Housing Units to be Added

Other Population Type:

All of the ACC public housing units are to be acquired pursuant to the Thompson Settlement Agreement. To date, HABC has not yet requested a project number for these units.

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
MD002/0200 Scattered Sites -	50	Obsolete and non-viable scattered sites units
MD002/0201 Scattered Sites -	134	Obsolete and non-viable scattered sites units
MD002/0202 Scattered Sites -	93	Obsolete and non-viable scattered sites units
MD002/0203 Scattered Sites -	165	Obsolete and non-viable scattered sites units
MD002/009 O'Donnell Heights	6	These six (6) lots will be sold to a developer to build for-sale housing. Plans to dispose of these lots at O'Donnell Heights were reported in the FY2017 Annual Plan; however, HABC will submit a disposition application to HUD in FY2018.
MD002/0042 – Somerset Extension	60	RAD Conversion
MD002/0043 - Monument East	170	RAD Conversion
MD002/0070 - Rosemont	203	RAD Conversion
MD002/0041 – J. Van Story	357	RAD Conversion
MD002/0111 - Heritage	75	RAD Conversion
MD002/0105 Hillside Park	30	RAD Conversion
MD002/0101 –	62	RAD Conversion

Arbor Oaks		
MD002/0106 – Townes at the Terrace	203	RAD Conversion
MD002/ Homes for Arundel	58	RAD Conversion
Total Number of Units to be Removed	1,666	

B. Section 8/Housing Choice Voucher Inventory

As of December 31, 2016, HABC’s existing Section 8 Housing Choice Voucher leased housing inventory includes 16,729 MTW units; 13,305 regular program units; 3,424 Thompson units and 1,273 non-MTW units. By the end of the FY2018, these figures are projected to reach 17,474; 13,057 total regular program units; 3,104 Thompson units and 1,313 non-MTW units respectively. Table 1 shows actual leasing levels as of December 31, 2016 and projected leasing levels as of June 30, 2018. For MTW vouchers, from December 2015 to December 2016, including Thompson voucher activity, there was a net increase of 697 HCV leased households (HABC leased 365 more units under the regular program and leased 332 more units under Thompson).

Under its ACC, HABC has been able to provide over 13,000 households with assistance. As of December 2016, HABC has contract authority under its ACC to issue 18,760 MTW vouchers (including VASH / excluding Thompson); however, available HUD funding does not support this level of leasing for MTW vouchers. It is important to note that neither HABC nor any other HCV administering agency is funded based on 100% of the ACC funding levels. The FY2005 Consolidated Appropriations Act changed the method and formula for allocation of HAP funds. The number of ACC authorized vouchers reflects the maximum number of families which may be assisted if adequate funds are provided by HUD.

**Table 1:
Housing Choice Voucher Program Inventory and FY 2017 Projected Leasing**

	Actual Leased as of 12/31/16	Projected Leased as of 6/30/17
MTW Tenant Based Vouchers (Non Consent Decree)	10,780	10,307
MTW Project Based Vouchers (Non Consent Decree)	1,263	1,450
MTW Tenant Based Vouchers - Bailey	824	*850
MTW Project Based Vouchers – Bailey	438	570
<i>Sub-Total</i>	13,305	13,177
MTW PCD Vouchers – Thompson	1,750	1,762
MTW Remedial Vouchers – Thompson	1,788	2,340
MTW Homeownership Vouchers - Thompson	40	40
<i>Sub-Total</i>	3,552	4,142
TOTAL MTW VOUCHERS	16,857	17,319
Non-MTW Section 8 Moderate Rehab	273	270
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	404	447
<i>Sub-Total</i>	1,273	1,313
TOTAL ALL	18,130	18,632

*The total number of Bailey vouchers for NED households receiving assistance under the tenant-based program as of December 31, 2016 is 824. HABC is obligated to provide assistance in the equivalent of 850 NED vouchers, which is 102,000 unit months leased by NED participants, under the Bailey Consent Decree. Due to a reduction in HCV funding by HUD, HABC has stopped issuing vouchers to applicants on the HCV Program waiting list. Therefore, HABC is currently unable to maintain 850 tenant based vouchers leased to NEDs. However, HABC is fully committed to compliance with this Bailey Consent Decree requirement and will resume issuing vouchers to NEDs when funding permits to achieve the 102,000 unit months leased by NED participants.

HABC has also applied for and received special purpose vouchers in the following amounts: Family Unification Program Vouchers, 100; Non-Elderly Disabled Category II Vouchers, 40; Veterans Affairs Supportive Housing Vouchers, 476.

If funding becomes available, HABC will work closely with its partners, providers, and property owners/managers to utilize the current wait list and to fill all vacancies in a timely manner.

**New Housing Choice Vouchers to be Project-Based During the Fiscal Year
(These PBV's were awarded during FY2017; however, some of the project closings will be in FY2018).**

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
Orchard Ridge V	16	16- PBV units (10-1 bedrooms, 5-3bedrooms, and 1-4bedroom) developed by Pennrose Properties, LLC are under construction on the former Claremont Homes and Freedom Village sites.
Episcopal Housing – Argyle	12	12 vouchers for homeless persons (12-1bedroom units) located at 1411 Argyle Street being developed by Episcopal Housing Corporation are in financing.
O'Donnell Heights Phase IB	16	This is new construction at O'Donnell Heights renamed Key's Pointe in southeast Baltimore. For Phase 1B joint venture development partners, Michaels Development and Greater Baltimore AHC will include a total of 68 newly constructed affordable rental units. HABC is providing 34 project-based vouchers for returning residents, NEDs and households needing the features of UFAS compliant units. The remaining 34 units will be affordable to households earning less than 60% of the area median.
Franklin Flats	7	7 LTA NED one bedroom units located at 20 Franklin Street developed by Osprey Property Company, LLC are under construction
Metro at Mondawmin	18	Metro at Mondawmin is a proposed 70-unit affordable rental housing development located in the Liberty Square neighborhood of West Baltimore. It is being developed by Enterprise Housing Corporation (developer/sponsor) and will include a mix of 1-, 2-, and 3-bedroom units for families earning between 30% and 60% of the Area Median Income (AMI), including eleven (11) units for NED residents (15%) and seven (7) units for homeless residents (10%).
New Shiloh	19	This project is a proposed 73-unit affordable low-income housing tax credit development for families. It is being co-developed by sponsor Bon Secour's Unity Properties, Inc., New Shiloh CDC, and development consultant Enterprise Homes, Inc (collectively, the "Developer") and will include a mix of 1-, 2-, and 3-bedroom units for families earning between 30% and 60% of the AMI, including 11 units for NED residents (15%) and 8 units (10%) serving people who would otherwise be homeless.
North Avenue Gateway	16	<p>North Avenue Gateway II project is a 65 unit family project located on the north side of the 3000 block of West North Avenue in Baltimore. Ten (10) one-bedroom units will be reserved for NED households. These units will be affordable to households with incomes at or below 30% of the AMI for a period of 40 years (LTA NEDs). The units will be integrated throughout the project to avoid concentration in any particular building or area.</p> <p>The North Avenue Gateway project will also have 6 one-bedroom units for homeless individuals. The City of Baltimore will reserve Section 8 Project Based Rental Subsidy for these 6 homeless units.</p>
L on Liberty	14	This new construction project is located at 213 -215 Park Avenue and 208 Liberty Street in Baltimore. The project will provide seventy-one (71) units of affordable housing and of those, 14 units will be reserved for tenants with incomes of 30% or less than the AMI. L on Liberty agreed to add 3 more NEDs units for a total of 14 NEDs units. These 3 additional units are in exchange for the reduction of units in J. Van Story Branch to create a third elevator in the building.
Restoration Gardens II	42	This project has forty-two (42) project-based vouchers for the

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
		property located at 4201 York Road, and 501 ½ East 43 rd Baltimore. These are efficiency-sized units that are in financing and being developed by The French Development Company.
Paca	92	92 units for veterans located at 116-120 North Paca Street developed by Somerset Development Company, LLC is in pre-development
Walbrook	10	10 PBV units located at 2636 Walbrook Avenue developed by Osprey Property Company LLC and Coppin Height Community Development Corporation are in pre-development.
Marian House	6	6 units for homeless persons.
Shannon House	18	18 (14-2bedroom and 4-3bedroom) units for homeless persons located at 4613 Park Heights Avenue are in development by Sherrick Project Management.
Project Place	56	56 PBV (all one bedroom) units located at 3549-3601 Old Frederick Road and developed by Project PLASE are in pre-development.

Anticipated Total New Vouchers to be Project-Based

342

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year

2,225

Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year

2,069

Other Changes to the Housing Stock Anticipated During the Fiscal Year

Vacant units at nine (9) mixed-population, family and mixed-finance developments scheduled for RAD conversion in FY 2018 will be held off-line for the temporary relocation of existing residents. In addition, HABC anticipates that its adjusted occupancy rate will be 97% primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations.

General Description of All Planned Capital Fund Expenditures During the Plan Year

Gas Piping Survey and Mapping, Rehab for Training Facility, Domestic Hot Water Replacement, Condensate Receivers, Window and Door Replacements, Sump Pump Replacement and Installation, Installation of Energy Conservation Measures, Basketball Court Repairs, Electrical Distribution Upgrades, Heating System Repairs/Replacement, Playground Repairs/Replacement, Gas Pipe Replacement, Exit Light Fixture Installations, Dumpster Replacement, Roof Replacement, Handicap Accessibility Improvements, Structural Improvements, Elevator Improvements, Vacancies, Painting, Kitchen and Bathroom Upgrades, Emergency Repairs, Miscellaneous Site Work, Redevelopment of Replacement Housing, the , technical and non-technical salaries and benefits and associated capital operating costs, consultant fees, relocation, management improvements, resident anti-drug program, affordable homeownership, sub-metering maintenance and service, debt service and environmental related testing, improvements and training.

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:

Federal MTW Public Housing Units to be Leased
 Federal MTW Voucher (HCV) Units to be Utilized
 Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs

Planned Number of Households to be Served	Planned Number of Unit Months Occupied/Leased
7,655	91,860
13,305	159,660
0	0

Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded Tenant-Based Assistance Programs
Total Households Projected to be Served

0	0
20,960	251,520

***Includes 294 MTW Bailey and HABC Long-Term Affordable Project-Based Voucher units.**

Reporting Compliance with Statutory MTW Requirements

HABC is in compliance with all statutory MTW requirements.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Public Housing	HABC anticipates delays in leasing within the Scattered sites portfolio as it evaluates the viability of its single family properties prior to the make ready process. Units deemed non-viable will undergo the HUD disposition process.
The Housing Choice Voucher Program	Under its ACC, HABC's HCVP-MTW funding limits the number of households for which assistance can be made available to no more than approximately 13,500 (this funding limitation does not affect Thompson-MTW, HUD-VASH, New Construction or Moderate Rehabilitation vouchers). Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2017 is an additional contributing factor in determining projected utilization.

C. Waiting List Information

HABC maintains its waiting lists in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of December 31, 2016, there are a total of 63,804 applicants for HABC's programs including: 27,644 public housing-only applicants; 30,516 HCV-only applicants (tenant and project-based); and, 5,644 applicants on both the public housing and HCV waiting lists.

The Housing Choice Voucher Waiting List

The HCV tenant-based voucher waiting list is closed; however the HCV project-based voucher waiting list is open for seniors and families needing a one, two or three-bedroom. The project-based waiting list will close on June 30, 2017. HABC will reopen the HCV waiting lists as necessary to ensure that there are an adequate number of applicants for available vouchers over a twelve-month period.

The Public Housing Waiting List

In March 2016 HABC began the process of purging its public housing waiting list. Because of the substantial number of applicants who did not respond to the 3 attempts to contact them (roughly 45%) HABC suspended the purge in October 2016 to further review the impact and assess the process of purging.

In FY 2017, HABC was approved to convert its public housing waiting list to a Centrally-Administered Location Based (CALB) Waiting List. In the approved FY2017 Annual Plan HABC stated that the Location-Based Waiting List will allow applicants to identify three sites where they

would accept an offer. Once their choices are known, the applicant's name will be listed on the appropriate CALB waiting lists. Applicants will be listed on the CALB waiting lists in sequence based upon:

- Applicable preference factors;
- Date and time of application.

Applicants from the CALB Waiting list will be selected to form a final eligibility "pool" based on the units (including size and type) expected to be available after applicants complete the verification and screening process. HABC will offer the dwelling unit to eligible applicants at the top of the appropriate eligibility pool. Applicants will be housed in the first available unit as indicated by their preference. HABC expects to start operation of the CALB in FY2018.

The Public Housing and Housing Choice Voucher Waiting List

When seeking housing assistance many families choose to apply for both the public housing and the HCV programs. The date and time of the application for one program does not necessarily share the date and time for the other; however to obtain a true and accurate count of the number of families on HABC's waiting lists, these families are counted separately from the public housing and HCV waiting lists.

Currently the public housing waiting list is open and the HCV project-based voucher waiting list is open for seniors and families needing a one, two or three-bedroom. HABC will close the HCV project-based waiting list on June 30, 2017. The public housing waiting list will remain open. When the project based voucher waiting list closes, families who want to apply for both public housing and the HCVP will only be allowed to apply for public housing.

The Thompson Waiting List

Pursuant to the Thompson Settlement Agreement, the waiting list for Thompson PCD Vouchers and Thompson Remedial Vouchers is maintained by BRHP and is separate from any other HABC waiting list for housing assistance. Application for, receipt of, or termination of a Thompson Voucher will not affect a family's standing on any other HABC waiting list. A copy of the waiting list procedures for the Thompson-related programs is described in the Special Administrative Plan as Appendix II in the HABC HCV Administrative Plan. As of December 30, 2016, there were 11,985 families on the waiting list for the Thompson Vouchers and 1,033 families were enrolled in the BRHP mobility counseling program that applicants for a Thompson Voucher must complete before receiving a Thompson Voucher. The BRHP waiting list for Thompson Vouchers is closing on March 31, 2017.

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Housing Choice Voucher Units: Tenant-Based	Community Wide	23,442	Closed	No
Federal MTW Housing Choice Voucher Units: Project-Based	Site-Based	7,074	Opened December 30, 2015. Will close June 30, 2017	No
Federal MTW Public Housing Units	Community Wide	27,644	Open	N/A
Federal MTW Public Housing & HCVP Units	Merged	5,644	The Public Housing waiting list is open; the Tenant-based HCV waiting list is closed and the Project-based waiting list will close on June 30, 2017.	No. There are no plans to open either the Tenant-based or Project-based waiting lists in FY 2018.
Thompson Voucher Units	Program Specific	11,985	Open	No. This wait list will close on March 31, 2017

For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open:

N/A

If Local, Non-Traditional Housing Program, please describe:

N/A

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

In FY 2017, HABC was approved to convert the public housing waiting list to a Centrally-Administered Location Based (“CALB”) waiting list. HABC expects to implement the CALB waiting list in FY2018. Once operational, applicants may choose up to three (3) sites where they wish to reside. Once their choices are known the applicant’s name will be listed on the appropriate CALB waiting lists. Applicants will be listed on the CALB waiting lists in sequence based upon:

- Applicable preference factors;
- Date and time of application.

Applicants from the CALB waiting list will be selected to form a final eligibility "pool" based on the units (including size and type) expected to be available after applicants complete the verification and screening process. HABC will offer the dwelling unit to eligible applicants at the top of the appropriate eligibility pool. Applicants will be housed in the first available unit as indicated by their preference.

D. Housing Stock Information

In Fiscal Year 2018, HABC will implement a wide range of capital investments at existing public housing sites and continue its program of citywide housing development activities. HABC projects it will expend a total of approximately \$48.8 million on capital activities in the coming year.

HABC has provided an update to the Asset Management Table in Appendix B which describes the current status of each public housing site, outlines certain risk factors that will be monitored over the life of the MTW Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for current and future years' planning. As a result of our preliminary findings in HABC's portfolio wide asset review, we have updated the Asset Management table to identify sites where redevelopment, conversion, homeownership, demolition, disposition, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources. It is important to note, that HABC is participating in the RAD Program. The properties approved for RAD Phase I and Phase II are identified in the Asset Management Table. The removal of these properties from HABC inventory will result in a decrease in HABC's Capital Subsidy of approximately \$4.7 million.

In 2006, HABC used its MTW authority to allocate Housing Choice Voucher (HCV) funds to complete planned capital activities. HABC used the funds to renovate long-term vacant units, to modify units for handicap accessibility and to improve physical conditions to ensure long term viability of existing inventory. These funds have been fully committed since 2014 and are expected to be fully expended by the end of FY 2017.

HABC is also in the process of completing its Green Physical Needs Assessments (GPNA) and any needs identified in the GPNA are being included as part of HABC's long term Capital Plan.

Pursuant to the MTW Agreement, as mentioned above, HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant that will be carried out in accordance with all HUD regulations, including 24 CFR Part 905, and other requirements applicable to the Capital Fund Program.

Spending Plan				FY'18
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2017 - - June 30, 2018
FFY 15, 16, 17	1	Latrobe Homes	Gas Piping Survey and Mapping, Training Facility, Domestic Hot Water Replacement, Window Replacement and Door Caulking, Repair/Replace 504 Ramps, Replace/Install Sump Pumps, ECM's	1,815,000
FFY 15, 16, 17	2	McCulloh Homes	Basketball Court Repairs	20,469
FFY 15, 16, 17	3	Perkins Homes	Domestic Hot Water Replacement, Condensate Receivers	395,000
FFY 15, 16, 17	5	Douglass Homes	Electrical Distribution Upgrades, Domestic Hot Water Replacement, Install Sump Pumps, Steam Heating System (Radiator Controls and Traps), Playground Repair	3,988,480
FFY 15, 16, 17	6	Gilmor Homes	Exit Light Fixtures, Dumpsters	111,952
FFY 15, 16, 17	9	Key's Point	Phase 1 B - Partial Funding for 68 Rental Units	3,440,337
FFY 15, 16, 17	9	O'Donnell Heights	Emergency Repairs, Demolition of 74 Units	1,100,000
FFY 15, 16, 17	11	Cherry Hill	Roof Replacement (MD 2-12 and MD 2-17), Windows MD 2-11, Replace HVAC, Repair/Replacement of Playgrounds, Repair Basketball Court, Replace/Install Sump Pumps, ECM's	3,799,740
FFY 15, 16, 17	21	Brooklyn Homes	Repair/Replace 504 Ramps, Gas Pipe Survey and Mapping	185,000

Spending Plan				FY'18
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2017 - - June 30, 2018
FFY 15, 16, 17	22	Mt. Winans/Westport	Replace Furnaces, Gas Pipe Survey and Mapping, Replace Wood Decking (2nd floor apartments)	861,094
FFY 15, 16, 17	31	Rosemont	Install ADA Ramp at Mgmt Office, Gas Pipe Replacement, Replace Exterior Doors, Furnace Replacement	1,772,994
FFY 15, 16, 17	31	Dukeland	Playground Equipment, Furnace Replacement	93,172
FFY 15, 16, 17	41	J. Van Story Branch (West Twenty)	Elevators and RAD Related Improvements	1,000,000
FFY 15, 16, 17	42	Somerset Extension	RAD Related Improvements	3,960,889
FFY 15, 16, 17	45	Hollander Ridge	Redevelopment for Replacement Housing (potential RAD)	9,990,147
FFY 15, 16, 17	200, 201, 202, 203 (including Laurens House, Carey House, and Oswego Mall)	Scattered Sites	Roof Replacement, Vacancy Renovation, Basement Waterproofing, Window Replacement, Painting, Replace Lighting with LED Fixtures	1,796,947
FFY 15, 16, 17	Various	Perkins, Douglass, Poe, Rosemont, Dukeland, Oswego, McCulloh LR, Laurens, Mt Winans, Spencer, Carey	Infrastructure Projects	2,000,000

Spending Plan				FY'18
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2017 - - June 30, 2018
FFY 15, 16, 17	Various	Perkins, Douglass, Poe, Rosemont, Dukeland, Oswego, McCulloh LR, Laurens, Mt Winans, Spencer, Carey	Install Low Flow Faucet Aerators in Tenant Apartments and Common Areas (ECM)	655,344
FFY 15, 16, 17	Various	Perkins, Douglass, Poe, Rosemont, Dukeland, Oswego, McCulloh LR, Laurens, Mt Winans, Spencer, Carey	Install Efficient Lighting in Tenant Apartments and Common Areas (ECM)	178,704
FFY 15, 16, 17	Various	Perkins, Douglass, Poe, Rosemont, Dukeland, Oswego, McCulloh LR, Laurens, Mt Winans, Spencer, Carey	Install Electric Sub meters for apartments (ECM)	728,750
FFY 15, 16, 17	Various	Perkins, Douglass, Poe, Rosemont, Dukeland, Oswego, McCulloh LR, Laurens, Mt Winans, Spencer, Carey	Install New Programmable/Fixed Set-Point Thermostats for Apartments and EMCS Upgrades	717,581
FFY 15, 16, 17	AMPS	Authority-Wide	Electrical Distribution Upgrades, Domestic How Water Replacement, Install Sump Pumps, Steam Heating System (Radiator Controls and Traps), Playground Repair	1,005,502
FFY 15, 16, 17	AMPs	Authority-Wide	Kitchens, Baths, Windows, Electrical, Mechanical, Non-Dwelling Structures, Vacancy Renovation	1,237,723

Spending Plan				FY'18
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2017 - - June 30, 2018
FFY 15, 16, 17	AMPs	Authority-Wide	Submetering Maintenance and Service	30,000
FFY 15, 16, 17	AMPs	Authority-Wide	Consulting Fees - A & E, Environmental, Utility and Env. Training	661,000
FFY 15, 16, 17	AMPs	Authority-Wide	Consulting Fees - Legal, Planning, IT, etc.	180,000
FFY 15, 16, 17	AMPs	Authority-Wide	RAD Contingency	186,660
FFY 15, 16, 17	Central Office	Central Office	Technical Salaries	1,435,570
FFY 15, 16, 17	Central Office	Central Office	Non-Technical Salaries and Benefits	974,811
FFY 15, 16, 17	Central Office	Central Office	Resident Meetings and Training	9,600
FFY 15, 16, 17	Central Office	Central Office	Utility Consultant	150,000
FFY 15, 16, 17	Central Office	Central Office	Operating Costs, Sundry and Audit Fees	522,248
FFY 15, 16, 17	Central Office	Central Office	Debt Service-1st and 2nd Phase EPC	3,819,092
GRAND TOTAL				48,823,806

504 Accessibility Improvements

In FY 2018, HABC will continue to: (i) maintain existing UFAS units, common areas and accessible routes to ensure continued compliance with UFAS and the 2010 ADA standards; and (ii) modify units to meet reasonable accommodation and immediate need requests.

To date 741 of 756 UFAS units have been created and certified under the Bailey Consent Decree. To meet HABC's obligations of 756 UFAS units under the Bailey Consent Decree, an additional 15 UFAS units must be certified:

- 15 additional units are under construction with completion of all units expected in 2018.

Infrastructure and Extraordinary Maintenance

Major work scheduled for the last quarter of FY 2017 and being completed in FY 2018 includes: the replacement of roofs at various scattered sites; the upgrade of the electrical distribution system at Douglas Homes; the replacement of windows and/re-caulking at various scattered sites; the replacement of sidewalks and erosion control at Latrobe, Cherry Hill, McCulloh, Douglas, Westport, Dukeland, Rosemont, Brooklyn, Spencer Gardens, Perkins, Poe, and Gilmore; and the renovation of long term vacant scattered site and family site units. Heating systems at Cherry Hill and McCulloh Homes are undergoing boiler room upgrades as needed. Other work scheduled for FY 2018 would be the renovation of bathrooms and kitchens at various family sites; basement water proofing in various scattered sites units; and the renovation of the old daycare center at Latrobe Homes which will become a new training facility and maintenance storage space. Gas piping projects and mapping at various locations are also underway. Playgrounds remain a priority and will be addressed as needed. HABC is also studying the viability of reviving the daycare centers at Brooklyn Homes and Westport Homes for youth activities. Exterior lighting at various sites will be evaluated and incorporated into the EPC if possible.

HABC will conduct Agency-wide electrical studies for electrical systems at various developments. Those studies could result in various levels of electrical system work depending on the extent of the work and available funding. As part of the future planning for O'Donnell Heights some of the site will be blocked up and/or demolished as per HUD approval. HABC continues to investigate and strategize for extraordinary maintenance issues at Somerset Extension (underground water leaks) and J. Van Story Branch (elevators). Due to repeated requests from the tenant council, HABC may build a Tenant Council office at McCulloh Homes.

HABC is committed to continuing work on the investigation and repair of drainage and erosion problems at various sites; addressing trip hazards; repairing/replacing 504 ramps; installing and repairing fencing; and conducting tree trimming as needed.

HABC will continue its testing for lead based paint, the abatement of asbestos and the removal of underground fuel oil tanks as required and will continue to respond to all other environmental concerns.

In FY 2018, HABC may: (i) continue to develop master plans which note physical areas of concern and a course of action to rectify them (landscaping, egress, hazards, etc.); and (ii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce

vacancies; overhaul the archive system and set up the disaster recovery/emergency response system at Duncanwood.

Energy Performance Contracting

HABC will continue monitoring, measurement and verification efforts for the Phase I EPC properties, (Latrobe, Cherry Hill, Gilmor, Westport and Brooklyn). An additional EPC Program has been planned for the installation of conservation measures (lighting, water conservation fixtures, utility metering and system upgrades) at selected properties in the amount of \$10-\$15 million. The second EPC is planned for a total of 15 years with two years of construction. Once the EPC financing is established in the last quarter of 2017, installation should commence in the first quarter of FY 2018. As a part of the EPC strategic plan, HABC re-negotiated Veolia steam contracts for service to Perkins Homes, Douglass Homes and Cherry Hill Homes.

HABC has solicited a 3rd party utility billing company to handle resident excessive consumption charges. HABC's Energy & Environmental Programs Department will oversee this company in close collaboration with other agency departments.

Partnerships

HABC is coordinating with BGE to identify the list of properties (mostly scattered sites) for meter upgrade/removal/inspection or maintenance. Work will start in FY 2017 and end in FY 2018.

HABC continues to evaluate and/or propose projects with various partners such as the Weatherization Assistance Program and the Parks & People Foundation. HABC continues its partnership with the Mayor's Office of Criminal Justice (MOCJ) and Information Technology (MOIT). Camera maintenance, safety and security concerns, and safety grants are some of the work performed as a result of these partnerships. Additionally, there will be a review of the useful life of camera equipment at Cherry Hill, Gilmor, Latrobe, McCulloh, and Perkins.

E. Neighborhood Development Activities and Expenditures

HABC's housing development accommodates three distinct strategies, which include MTW funds and proposed public and private leveraged funds. Each of the three strategies (Neighborhood Reinvestment, New Housing Production, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in various phases of the development process, the final unit numbers and development approach may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2018 goals and activities in this strategy area:

Barclay – HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis completed a redevelopment plan calling for the new construction and rehabilitation of approximately 322 mixed-income housing units. The first two rental phases of 141 affordable units have been completed. The first affordable homeownership phase consisting of 35 rehabilitated units was completed in FY 2014 and sold to families who earn 120% of AMI.

The construction of Homeownership Phase 2 commenced in FY 2017 with completion of the first 12 rehab units projected to occur in FY 2018. Plans for the site also include the construction of a small park to begin in FY 2018 surrounded by 18 new construction homeownership units in the 300 block of E. 20th Street. Additionally, Rental Phase 3 has been awarded LIHTC for the creation of 57 rental units, which include nine 9 units reserved for Chronically Homeless Persons and three (3) LTA UFAS compliant units for persons needing wheelchair accessible units. Rental Phase 3 is under construction with an expected completion date in the last quarter of 2017.

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2018, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city.

Orchard Ridge (formerly Claremont/Freedom) – Habitat for Humanity of the Chesapeake completed the construction of the 30 remaining affordable homeownership units in Phase I. Pennrose was awarded 9% LIHTC to construct 65 affordable rental units (Rental, Phase V). Pennrose closed on the financing in January 2016 and commenced construction with an expected completion date of the third quarter of CY 2017.

O'Donnell Heights – O'Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished and 304 remain on-line. The plan for the 62-acre site is for the demolition of the remaining housing units and the creation of a 925-unit mixed income residential community to include the replacement of low income housing units on site. The redevelopment of O'Donnell Heights is to be completed in multiple phases.

The first phase of the O'Donnell Heights redevelopment, identified as Phase 1-A, located on the eastern half of the south/east quadrant of Boston and Gusryan Street is complete. This is primarily a townhome community, totaling 75 affordable rental units and 1 management office. Of the 75 rental units, 39 are deeply affordable because they are subsidized by project based vouchers and 36 rental units are affordable to households earning less than 50% of area medium income.

Phase 1-B will include a total of 68 newly constructed affordable rental units. HABC is providing 34 project-based vouchers for returning residents, NEDs and households needing the features of UFAS compliant units. The remaining 34 units will be affordable to households earning less than 60% of the area median. Financial closing for this project is expected to take place during the 2nd quarter of FY2017. Phase I-B is part of a LIHTC application that was submitted to the Maryland Department of Housing and Community Development in March 2016 and awarded in the summer of 2016. Pursuant to HABC's MTW Agreement, as amended, HABC's RHF Funds will also provide a source of funding for the project in the form of a loan to the owner entity to support the

developments costs, including a portion of which will be used as collateral for the tax-exempt bond debt.

HABC is requesting demolition approval for 74 units located on the sloping northwest corner of the site which has been experiencing water supply line breaks resulting in storm water and groundwater infiltration of the units. It was originally HABC's plan to continue to maintain the remaining 304 units until Phases 1 and 2 were completed. However, these specific 74 units have continued to show signs of distress and costly repairs, beyond routine maintenance. In addition, the non-functioning Day Care Facility on this site is beyond repair because it has experienced extreme vandalism and it is creating unsafe and unsightly conditions for the residents of this community.

The demolition of these units and the daycare center will help to facilitate the continued redevelopment efforts in the O'Donnell Heights community and specifically eliminate the unsafe and unsightly conditions created by these units and the day care facility.

Bailey Consent Decree Housing Production

HABC has approved a number of projects that will create more NED units than required by the Bailey Decree, as amended. Therefore developers will no longer be offered incentives to produce NED units.

New Construction of Scattered Site Units –Thirty-five of the 37 new construction scattered sites UFAS compliant homes for persons with mobility impairments have been completed and certified. The units are located in various neighborhoods throughout Baltimore City. The last phase consists of 2 units which are currently under construction with an expected completion date at the end of April 2017.

Additional Ten NED Units – In addition, 10 NED units will be created through the acquisition and rehabilitation of units in neighborhoods identified in the Bailey Supplemental Decree.

Other Development Activities

HABC is considering development of a number of other sites. Activities on these sites in FY 2018 could include master planning, the issuance of RFPs or RFQs, the execution of Land Disposition or Master Development Agreements, the provision of MTW funds to developers, demolition, site clearance, and remediation, and other pre-development and development work.

The Thompson Settlement Agreement - To meet the public housing unit production requirements of the *Thompson Settlement Agreement BRHP*, pursuant to a contract with HABC, is undertaking the following:

- Project-Based Development Program - Under the *Thompson Settlement Agreement*, BRHP is continuing the project based development program that was started under the *Thompson partial consent decree*. BRHP is implementing a project based development program to create project based units in Communities of Opportunity. Subject to funding availability, BRHP is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership

Demonstration Program (MD-06-URD-002-I294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. Under this initiative, BRHP's goal is to create 40 new project-based units in communities of Opportunity in HABC's 2018 Fiscal Year.

Rental Assistance Demonstration – HABC has a backlog of up to \$800 million of capital needs and an inadequate amount of capital funding. Under the Rental Assistance Demonstration (RAD) , HABC may convert a development to Project Based Voucher (“PBV”) or PBRA funding and leverage private debt and low income housing tax credits making it possible to rehabilitate the building for the long term without displacing the existing residents. Units will be occupied by applicants from HABC's public housing waiting list and the HABC Reasonable Accommodation transfer waiting list. The PBV or PBRA subsidy replaces the ACC contract subsidy. HABC has taken steps to assure that residents' rights are largely the same. In addition, residents have the benefit of receiving a tenant-based housing choice voucher after two years of occupancy at the resident's option if the resident is in good standing and subject to funding availability.

HABC received a portfolio award for conversion of twenty-four (24) public housing sites, under RAD. The projects that have converted under RAD are: Allendale, BE Mason, Bel Park, Brentwood, Chase, Ellerslie, Govans Manor, Hollins House, Lakeview, McCulloh Extension High-Rise, Primrose Place, Pleasant View Gardens Senior, Pleasant View Gardens Townhomes, and Wyman House. The following projects are in the financing process: Broadway Overlook, Somerset Extension, Monument East, Rosemont Tower, J Van Story Branch, Hillside Park, Arbor Oaks, Townes at the Terraces, Terraces Coop, Heritage Crossing, and Homes for Arundel (58 units created pursuant to the Thompson PCD). In addition, HABC plans to acquire and rehab approximately 100 scattered sites units using Hollander Ridge HOPE VI funds. These units will initially be public housing ACC units but are intended to be converted to PBRA under RAD.

Perkins Homes – HABC is applying for a Choice Neighborhoods Initiative (CNI) implementation grant in FY 2018 for Perkins Homes. The Transformation Plan will integrate the Oldtown and Somerset Master Plans with the Perkins Transformation Plan to create a single seamless plan; the Perkins-Somerset-Oldtown Transformation Plan.

Somerset Homes – The Old Town Mall Master Plan generally calls for mixed-use and mixed-income housing development. HABC expects to replace the former Somerset units with a mix of low income, affordable and market rate housing. It is the goal of this mixed-finance development to provide one-third of the units as public housing in the residential mix along with some commercial and retail development over the total development site (Somerset Homes and Oldtown Mall).

In FY 2014, HABC issued a Joint Request For Proposals with the Baltimore Development Corporation (BDC), the entity in control of the adjacent 7.5 acres of City-owned property. BDC is the City of Baltimore's economic development arm. Several responses were received and a development team was issued a Right of Entry and an Exclusive Negotiating Privilege in FY 2015.

HABC and the City expect to integrate the Oldtown and Somerset Master Plans with the Perkins Transformation Plan to create a single seamless plan; the Perkins-Somerset-Oldtown Transformation Plan.

Hollander Ridge HOPE VI Project –HABC will acquire and rehabilitate approximately 100 units in Baltimore City pursuant to the Thompson Settlement Agreement. The properties will be scattered site units in areas of Baltimore City identified in the Thompson Settlement Agreement. Once acquired, they will be public housing rental units until such time as HUD approves the conversion of the Hollander Ridge units under RAD.

Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are to be used to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O'Donnell Heights residents.

Pursuant to the Thompson Settlement Agreement, HABC will also make available the equivalent of \$7,140,000 (“Replacement Funds”). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge (“HOPE VI Funds”) to develop one or more scattered site projects. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

Pursuant to Section 504 of the Rehabilitation Act of 1983 and HUD’s implementing regulations, at least five-percent (5%) of the units acquired under the Hollander Ridge Revitalization Plan will meet federal accessibility requirements for wheelchair users and HABC will require the developer to make 2% of the Hollander Ridge units hearing/vision compliant. Once the units have been acquired and an assessment completed, HABC will determine which units will be wheelchair accessible.

F. Leasing Information – Planned

Public Housing Projected Leasing

HABC’s projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2018 is 97.0%. The total number of MTW public housing units to be leased as of June 30, 2018 is 6,135 due to the RAD conversion of fourteen (14) mixed-population, family and mixed-finance sites.

Section 8/Housing Choice Voucher Program Projected Leasing

Table 2 provides a summary of HABC’s Tenant-based and Project-based MTW Housing Choice Voucher programs including current leasing rates and projected leasing through June 30, 2018. Also included are non-MTW units under the VASH, Moderate Rehab, Substantial Rehab and New Construction programs, and HUD Tenant Protection Vouchers

**Table 2:
Housing Choice Voucher Program FY 2017 Projected Leasing**

	Projected Leased as of 6/30/17	Projected Leased as of 6/30/18
MTW Tenant Based Vouchers (Non Consent Decree)	10,635	10,307
MTW Project Based Vouchers (Non Consent Decree)	1,400	1,450
MTW Tenant Based Vouchers – Bailey	838	850
MTW Project Based Vouchers – Bailey	462	570
<i>Family Unification Program (FUP)</i>	98	98
<i>Non-Elderly & Disabled, Category II (NEDs Cat II)</i>	38	38
Sub-Total	13,471	13,313
MTW PCD Vouchers – Thompson	1,764	1,762
MTW Remedial Vouchers – Thompson	1,328	2,340
MTW Homeownership Vouchers - Thompson	40	40
Sub-Total	3,092	4,142
TOTAL MTW VOUCHERS	16,563	17,455
Non-MTW Section 8 Moderate Rehab	290	270
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	449	447
Sub-Total	1,335	1,313
TOTAL ALL	17,898	18,768

Under its ACC, HABC expects to provide assistance for approximately 13,300 by the end of FY 2018. The requirement for additional project-based units under the Bailey Consent Decree may require a decrease in tenant-based voucher holders or an increase in funding or both.

Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2017 is an additional contributing factor in determining projected utilization.

III. Proposed MTW Activities

This section of the MTW Annual Plan provides information on new MTW activities proposed for FY 2018.

26. Landlord Payment Methods and Electronic Communications (HABC Leased Housing)

Description of MTW Activity: Currently, HABC communicates with landlords in a variety of formats, including email, fax, US mail and phone. Housing Assistance Payments (HAP) are delivered via direct deposit or sent in a check via US mail. The time and cost to prepare print, and mail landlord/owner notices, payments, inspection results and other communications is administratively and financially burdensome. In FY2018, HABC will require that all HCV landlord/owners receive all communications from HABC electronically. Further, HABC will require landlord/owners to receive HAP payments via direct deposit only. Approximately 10 of the 3,300 landlords still receive paper checks.

In the event that a landlord/owner opts out of the electronic delivery/direct deposit requirement, using its MTW authority, HABC will charge the owner an administrative fee equal to 1% of the HAP. The administrative fee structure will be two-tiered; a 1% fee will be assessed for paper copies of letters, notices, reports, etc. and another 1% fee for paper checks. Under no circumstances will an administrative fee be deducted from a landlords HAP.

Landlords currently pick up paper checks at the HABC Accounts Payable Office. With the implementation of the new surcharge, landlords will be required to show proper identification, and to submit payment in order to receive their check. Payment can be made by check or cash. In addition a 1% fee will be assessed against landlords who received paper communications from HABC during a given month. The landlords will be notified and billed of such assessments through HABC's Accounts Receivable division.

Implementation of this communications initiative is in accordance with the Paperwork Reduction Act of 1995. HABC will amend the HAP contract to reflect this requirement. HABC will apply this policy to all paper statements, letters, inspection reports, and Housing Assistance payments.

Statutory Objective: This initiative will support the MTW Statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures.

Anticipated Impact: HABC anticipates that this activity will improve efficiency and reduce costs by simplifying program administration and reducing expenditures on office supplies and postage.

Anticipated Timeline: Full implementation of this activity is anticipated by the end of FY2018.

Metrics:

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Dollars saved as a result of this activity (decrease).	\$854,294 (72,000 communications to landlords)	\$136,380 (72,000 electronic communications to landlords) HABC may re-establish benchmark upon final implementation of this activity.		

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Staff hours saved as a result of this activity (decrease).	36,000 hours (72,000 communications @ 30 mins per communication)	6,000 hours (72,000 communications @ 5 mins per communication) 83% reduction HABC may re-establish benchmark upon final implementation of this activity.		

Data Source: HABC will use data collected from its software systems to determine the labor and supply savings generated from implementation of this initiative.

Authorization Standard: MTW Agreement, Attachment C, Paragraph D (1) a – The agency is authorized to determine the term and content of the Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. This authorization waives certain provisions of the Section 8 (o) (7) of the 1937 Act and 24 CFR § 982.162 as necessary to implement HABC’s Annual MTW Plan.

IV. Ongoing MTW Activities

A. Implemented Activities

Public Housing

1. *Public Housing Multi-Year Recertifications*

Description/Update of MTW Activity: Multi-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. Under the original HUD approved activity, HABC indicated that it would conduct a reexamination of household income and composition for all households one time every twenty-four (24) months.

Proposed Changes: In FY 2016, HABC transitioned all public housing households to either a two-year or three-year recertification schedule. The three-year recertification schedule was implemented for households whose source of income was solely from a fixed source. Two-year recertifications were implemented for all other public housing households. No additional MTW waivers are required for the three-year recertification schedule modification. Households may request an interim recertification if needed pursuant to HABC's current policy.

Approval and Implementation: Approved in 2006 and implemented in 2011. Placed on hold FY 2014; reactivated in FY 2016.

Changes to metrics, baselines, and benchmarks: None

Impact Analysis: There is no negative impact for any tenant placed on a two or three-year cycle for rent calculation; however HABC believes that a multi-year recertification cycle will achieve greater cost effectiveness in Federal expenditures by reducing the amount of money, at least by half, the agency spends on this activity and also the amount of time staff spends to complete the activity.

Hardship Policy: Our current policy allows residents to request an interim change at any point during the recertification cycle for loss of income and HABC has no plans to change the policy.

Description of Annual Reevaluation of Rent reform Activity: HABC will reevaluate this activity on an annual basis and report its findings in the MTW Annual Report. The reevaluation will include the cost savings realized by the agency and time saved by HABC staff.

Transition Period: HABC is implementing changes to the frequency of reexaminations. A letter will be mailed to all households informing them of the changes including:

- The family's new re-exam frequency;

- Date of the last and next regular re-exam; and
- A Regular and Interim Re-exam Fact Sheet.

Board Adoption and Public Hearing: This policy was adopted by HABC’s Board of Commissioners as part of the FY17 MTW Annual Plan. The Board Resolution is attached as Appendix A in the Plan. The public hearing for the Annual Plan held on Tuesday March 22, 2016 also served as the Public Hearing for the Multi-Year Recertifications Policy. The policy was presented to public housing and Housing Choice Voucher residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

2. On “HOLD”. See Section C(2H). MTW Homeownership Program (Public Housing)

3. Asset Self-Certification

Description/Update of MTW Activity: To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.

Proposed Changes: None

Approval and Implementation: 2011

Changes to metrics, baselines, and benchmarks: None

Leased Housing

4. Risk Based Inspections

Description/Update of MTW Activity: HABC has implemented a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. An HCVP Inspections Supervisor has been assigned to evaluate each failed inspection report with five or less violations to determine if those violations qualify as non-health/safety related. HABC uses the professional judgment of HCVP Inspection Managers and relies on HQS guidelines to determine when a property’s condition poses a threat to the health and safety of HCVP participants. Cosmetic defects, minor defects, and normal wear and tear violations may be considered as non-health/safety related violations during the evaluation.

In the case of such items being deemed in a failed condition the landlord/owner will be notified of and directed to correct the defect within 30 calendar days of its discovery. The landlord must, within that 30 calendar day period, certify to this office in writing that the defect has been remedied. Certification must include the tenant’s signature verifying that

the violation has been corrected. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.

NOTE: Some minor cosmetic defects may be cause for health/safety violations (exposing walls, outlets, etc.) eliminating the possibility for owners to self-certify. In FY2017, HABC will continue to inform landlords about the benefits of participating in the self-certification program.

HABC conducted a pilot program in CY 2013 on Project-Based sites and implemented this initiative for the entire inventory in CY 2014. HABC began a campaign in FY 2015 informing landlords program-wide about the benefits of biennial inspections for units that consistently meet annual inspection standards.

Proposed Changes: None

Approval and Implementation: 2006 - Implementation activities began in FY 2014

Changes to metrics, baselines, and benchmarks: None

5. *HCV Multi-Year Recertifications*

Description/Update of MTW Activity: Two-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does not apply to:

- Residents living in Mod Rehab and Mod Rehab SRO units
- Residents with other vouchers that do not qualify based on HUD funding restrictions.
- Residents with Homeownership vouchers
- Residents with HUD Awarded Special vouchers (Veterans Affairs Supportive Housing (VASH)).

Three-Year Recertifications (2013): HABC transitioned elderly and/or disabled families on fixed incomes to a three year recertification schedule. All other families remain on a two-year cycle except for the Non-MTW voucher families noted above.

Proposed Changes: Any member of the family may have fixed income for the household to qualify for the three-year recertification schedule.

Approval and Implementation: 2006 – Two year recertifications were implemented in 2007 and three year recertifications were implemented in 2014.

Changes to metrics, baselines, and benchmarks: None

6. *Limits on Project Based Vouchers and Increased Project Based Units in a Project or Building*

Description/Update of MTW Activity: HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers. The HCV Administrative Plan was also modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.

Units subsidized with project-based vouchers under this MTW initiative are placed under a HAP contract upon turnover.

Currently, due to limitations in funding, HABC allocates 13% of its Tenant Based HCV funds to Project Based Vouchers, but anticipates increasing this allocation by waiving the per-building and per-project cap on future projects.

Proposed Changes: None

Approval and Implementation: The right to allocate up to 30% of HABC's HCV funds to Project Based Vouchers was approved in FY 2006. The per-building and per-project cap waiver was approved in FY 2010.

Changes to metrics, baselines, and benchmarks: None

7. *"CLOSED" (See Section D(6C). Project-Based Transitional Housing (Leased Housing)*

8. *Unit Sizes*

Description/Update of MTW Activity: The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size.

At recertification, HABC will review with current participants the household composition and may require the family to move to the correct unit size. If the family chooses not to move, the payment standard will be adjusted to reflect the appropriate unit size.

There may be a potential delay of outcomes, due to the simultaneous implementation of the three-year recertification cycle with this MTW activity.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None

9. *The Bailey Long –Term Affordable Project-Based Voucher Contract*

Description/Update of MTW Activity: As part of its MTW program, the HABC established an initiative in 2010, referred to as the Bailey Long Term Affordable Project Based Voucher (“LTA PBV”) Program, to create long term affordable units for persons with disabilities in compliance with the Bailey Consent Decree.

The Bailey LTA PBV program combines features of the Project Based Voucher program – such as the ability of owners to obtain long-term financing from banks and other private equity sources – with the resident protections and long-term affordability features of the Public Housing program.

LTA units are subsidized through Bailey LTA PBV contracts with minimum forty (40) year terms entered into between HABC and eligible property owners. LTA property owners are required to adopt the LTA Admissions & Continued Occupancy Criteria (“LTA Criteria”). Residents of Bailey LTA PBV Program units will have rights and protections as set forth in the LTA Criteria and will enter into a lease with the project owner that is developed by HABC for the Bailey LTA PBV Program units, which incorporates the regulatory requirements for a public housing lease and grievance procedures. Bailey LTA PBV Program NED units are occupied by NEDs on HABC’s public housing waiting list. The Bailey LTA PBV Program UFAS units are occupied by families on HABC’s reasonable accommodation transfer waiting list and HABC’s public housing waiting list who need the features of the UFAS units.

HABC created a Housing Assistance Payment (HAP) contract that increased the term of the contract to 40 years, consistent with the long term affordability period; and set forth what public housing rights, privileges and benefits must be afforded the residents in Bailey LTA PBV Program units.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None.

10. *The HABC Long –Term Affordable Project-Based Voucher Contract*

Description/Update of MTW Activity: In FY 2014, HABC established the Long Term Affordable Project Based Program (“LTA-PB Program”). Under this Program, HABC created long term affordable project based units in addition to the long term affordable

units created for persons with disabilities pursuant to the Bailey Consent Decree which HUD previously approved under HABC's MTW Agreement.

The LTA-PB Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (e.g., 24 CFR Parts 5, 960, 966, and the like) (the "Public Housing Regulations"), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years. The LTA-PB Program will provide to applicants for, and residents of, the LTA-PB Units most of the rights, privileges, and benefits that are provided under the public housing regulations. LTA Project Based units are occupied by families on the public housing waiting list.

LTA-PB property owners are required to adopt the criteria for leasing and continued occupancy of the LTA-PB Units ("LTA Criteria"). HABC requires developers/owners of certain redeveloped public housing sites and/or certain project-based voucher sites to comply with the LTA Criteria.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None

11. "CLOSED" (See Section D(4C) Utility Allowances for Families Living in Larger Units than Voucher Size (HCVP))

Thompson Leased Housing Program

12. Exception Payment Standards

Description/Update of MTW Activity: Payment Standards for the Thompson mobility program will be set between 90 and 135 percent of the HUD published Fair Market Rent. The payment standard will be set using a consistent methodology that compares the ratio of area median rent to the actual rent of the census tract. Implementation of exception payment standards is subject to funding availability.

Proposed Changes: As authorized by Section IV.G.2 of the *Thompson Settlement Agreement*, and Section D(2)(a) of the MTW Agreement, BRHP will change its Payment Standards for the Baltimore Housing Mobility Program *from* 90 up to 130 percent *to* 90 up to 135 percent of the HUD published FMR.

Approval and Implementation: 2007

Changes to metrics, baselines, and benchmarks: Although BRHP will change its Payment Standards for the Baltimore Housing Mobility Program from 90 up to 130 percent of the HUD published FMR to 90 up to 135 percent of the HUD published FMR;

this will not result in changes to the metrics or baseline; however changes have been made to the benchmarks.

13. *Thompson Biennial Recertifications*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, families participating in the Baltimore Housing Mobility Program must have their household composition and income re-determined at least once every 25 months.

Proposed Changes: None

Approval and Implementation: Approved in FY 2006 Plan and Implemented in 2007

Changes to metrics, baselines, and benchmarks: The Baseline below is based on 1,246 participants and an average specialist salary of \$25.00 per hour. The revised Benchmark is based on 3,151 participants and an average specialist salary of \$25.25 per hour.

14. *Thompson Risk Based Inspections*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, units in the Baltimore Housing Mobility Program will have their units re-inspected at least once every 25 months. Owners and families are allowed to self-certify that non-emergency items identified as "fail" during an HQS inspection have been repaired. Only units located in the allowable (non-impacted) areas are eligible for this option. The fail items must be minor and determined to be non-emergency to be eligible for self-certification. The self-certification process will require the owner and tenant family to certify that the repairs have been made. A random sample of units that have been approved under the self-certification option will receive a quality control inspection.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None

15. *HAP Contract Modifications – Thompson Floating Units*

Description/Update of MTW Activity: The Special Administrative Plan was modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program. This initiative allows floating units instead of identifying specific units in the HAP contract in the Project Based Voucher program.

Proposed Changes: None

Approval and Implementation: Approved in 2009 and implemented in 2010.

Changes to metrics, baselines, and benchmarks: None

16. *Asset Income for Thompson Participants*

Description/Update of MTW Activity: HABC excludes all income from assets when the cash value of the asset is less than \$50,000. This initiative will reduce the time it takes to verify income. This rent simplification measure will increase efficiency without having any negative impact on increasing residents' rent.

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None

17. *Adjusted Income for Thompson Participants*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, the gross annual income of participants in the Baltimore Housing Mobility Program shall be reduced using a standard deduction. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$3,200 for households with wages
- \$1,200 for households without wages
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None

18. *Exclude Income from Full-Time Students and Adopted Household Members*

Description/Update of MTW Activity: The goal of this activity is to exclude all income from full time students and adoptive income sources because the program has adopted flat deductions, and most of the income from these sources is statutorily excluded, upon full implementation, zero (0) families will have any income, for the purposes of calculating the tenant rent, attributable to full time students and/or adoptive income.

As of January 15, 2015, there were 0 clients with adoptive income and 37 clients with full time student status that also had wages. The wages for seventeen (17) of the full time students was fully excluded. The remaining 20 clients will have the un-excluded portion (\$480) of their wages excluded at the time of their next biennial reexamination.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None

19. **“CLOSED”** (See Section D(11C). *Energy Conservation and Utility Allowances*)
20. **“CLOSED”** (See Section D(13C) *Limit on Interim recertifications (Leased Housing)*_)
21. **“NOT IMPLEMENTED”** See Section B(1I). *Amendments to the Project-Based Voucher Contract (Leased Housing)*
22. **“CLOSED”** See Section D(12C). *The Front Door Program (Leased Housing)*
23. **“CLOSED”** See Section D(7C). *Encouraging Leasing in Higher Opportunity Neighborhoods (Thompson Leased Housing)*
- 24 **Sponsor-Based, Project-Based Transitional Housing (Leased Housing)**

Description of MTW Activity: The Transitional Housing Program will be modified to allow HABC to partner with the Women’s Housing Coalition and other organizations to provide permanent housing for up to twenty-five (25) homeless/hard-to-house families.

- All referred applications will be screened in accordance with HABC waiting list policies and eligibility criteria;
- HABC may create a special waiting list for the specific population.

HABC defines self-sufficiency as the ability to achieve economic independence, through employment that will allow individuals and/or families to become self-sufficient (not dependent on welfare assistance). Families will be able to achieve self-sufficiency through this program in the following areas:

- Obtaining a source of income;
- Participating in job training programs; and
- Securing permanent housing.

Voucher subsidies will be provided to the owner of the contract for all eligible participants. Program participants will be required to comply with all program rules and guidelines. Failure to comply will result in the termination of assistance and program participation.

Proposed Changes: None

Approval and Implementation: 2017

Changes to metrics, baselines, and benchmarks: None

25. **Security Deposit Assistance (Thompson Leased Housing Program)**

Description of MTW Activity: As authorized in Section IV.B.5 of the *Thompson Settlement Agreement*, BRHP will use HAP funds for payment to landlords to cover a security deposit for Baltimore Housing Mobility Program participants leasing in a census tract designated

“opportunity” by BRHP. Subject to funding availability, BRHP will offer each participant this Security Deposit Assistance on a one-time basis, and only if that participant has repaid the entire balance of any previously grant-funded Security Deposit Assistance Loan, and is otherwise in good standing with BRHP. The Security Deposit Assistance will not exceed the equivalent of one-month’s rent and BRHP will require a participant contribution towards the security deposit of between \$200 and \$500 dollars, which will be adjusted seasonally to encourage leasing in summer months.

Proposed Changes: None

Approval and Implementation: Approved 2017

Changes to Metrics, Baselines and Benchmarks: None

B. Not Yet Implemented

1I. *Project Based Voucher Amendments to the HAP Contract (Leased Housing)*

Description/Update of MTW Activity: HUD regulations at 24 CFR 983.206 (b) provide that “a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same building. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. Using its MTW authority, HABC plans to waive this three-year restriction, which will allow HABC to amend the HAP contract at any time during the initial fifteen year term of the HAP contract and during any renewal term of the HAP contract. Under this proposal, HABC may exercise this option for all PBV units, including, but not limited to the Bailey LTA and PBV units and the non-Bailey LTA PB units.

Approved: FY 2015 Annual Plan

Update on Implementation: HABC anticipates that implementation of this activity will occur in FY 2017.

C. Activities on Hold

1H. *Family Self Sufficiency (Public Housing)*

Description of MTW Activity: HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements varied from the existing regulatory framework in the following ways:

- 1) Elimination of mandated thresholds for number of participants in the HCVP program and expansion of the program to include public housing residents;

- 2) Enhanced program design to target the populations in need;
- 3) A focus on outcomes that included homeownership and unsubsidized economic independence;
- 4) Modification of the maximum contract period from five (5) to four (4) years; and
- 5) Revised procedures/regulations regarding the release of the escrow funds.

Approved: FY 2006 Annual Plan

Placed on Hold: FY 2014

Status Update: The FSS program that required MTW authority was placed on hold in FY 2014. HABC has reverted back to the traditional FSS program, which it does not need MTW authority to implement. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

2H. *MTW Homeownership Program – (Public Housing)*

Description MTW Activity: Using its MTW flexibility, HABC submitted a revised Section 32 Homeownership Plan, which was approved by HUD in 2009. Under the Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents.

Proposed Changes: Stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home. In addition, many public housing residents experience barriers when trying to purchase a home such as a poor credit history, lack of job history and retention and being wary of leaving the public housing rental program.

Approval: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 as HABC works to revise the program policies. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

3H. *Section 811 Supportive Housing (Leased Housing)*

Description of MTW Activity: HABC proposed combining MTW funds with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC intends to make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

Approved: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to a lack of interest from developers. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

4H. *Direct Homeownership Program (Thompson Vouchers)*

Description MTW Activity: The direct purchase second mortgage program is for applicants with incomes of no less than \$18,000 per year. Participants in this initiative do not receive a Section 8 homeownership voucher. A soft second mortgage of HOME VI funds is available through this program.

Approved: FY 2012 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to lack of participants.

D. Closed Out Activities

1C. *Adoption of New Investment Policies for HABC (Fiscal Operations)*

In FY 2013, HABC proposed adopting new investment policies thereby increasing investment revenue and decreasing the federal expenditures necessary to carry out the federal program. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability. HABC decided not to implement this activity due to the terms of a General Depository Agreement with the State.

2C. *Payment Standards at the 50th Percentile (Leased Housing)*

This activity was approved in FY 2009. HUD has adjusted the area Fair Market Rent (FMR) to the 50th percentile for HABC; therefore MTW authority is no longer required and this activity was closed out in FY 2011.

3C. *TDC Limits (Public Housing)*

In FY 2009 HABC established a local Total Development Cost policy to acquire the 58 scattered site units under the Thompson Consent Decree. This activity was approved by HUD via a letter dated March 12, 2009. In January 2012 the last the scattered site unit was acquired and this activity has been closed out.

4C. *Utility Allowances for Families Living in Larger Units than Voucher Size (Leased Housing)*

This MTW activity was implemented in FY2012. Under the 2014 Appropriations Act the rule on utility allowances changed to require that PHAs match the utility allowance payment to the actual unit size and not the voucher size. Based upon the 2014 Appropriations Act language HABC no longer needs to designate this activity as MTW. In addition this MTW activity was approved in the FY 2010 Annual Plan, but has been incorporated into the FY 2015 unit size proposal.

5C. *Utility Allowances for Families Living in Larger Units than Voucher Size (Thompson Vouchers)*

This MTW activity was approved in the FY 2014 Annual Plan, but has been incorporated into the FY 2015 unit size proposal.

6C. *Project-Based or Transitional Housing (Leased Housing)*

This MTW activity was approved in the FY 2007-2008 Annual Plan. In 2014 the Collington House facility lost its eligibility to retain project-based vouchers and this program was closed out.

7C. *Encouraging Leasing in Higher Opportunity Neighborhoods (Thompson Vouchers)*

This MTW activity was planned for implementation in FY 2015. However, upon further consideration, BRHP decided not to implement this activity and it was closed out in FY2016.

8C. *Gilmor Self Sufficiency Initiative (Public Housing)*

Description MTW Activity: This activity simplified the rent policy for staff and residents; and encouraged employment, job retention, and wage progression.

Status Update: A shortage of funds to provide employment counseling forced the closure of this program in FY2015; however in FY 2017 HABC became the recipient of a \$2.5 million Jobs Plus grant that will provide employment counseling to public housing residents that otherwise could not be provided under MTW.

9C. *Rent Policy(Public Housing)*

Description of MTW Activity: HABC received HUD approval in FY 2012 to implement agency-wide the rent policy adopted for Gilmor Homes; however, due to lack of funding and the on-going revisions of the Gilmor Homes rent policies, this activity has been placed on hold in FY 2014.

Status Update: This activity was identical to the Gilmor Homes Demonstration Program and was implemented at the remaining HABC sites; however a shortage of funds to provide employment counseling forced the closure of this program in FY2015.

10C. *Journey Home (Leased Housing)*

Description/Update of MTW Activity: HABC would exercise its MTW fund flexibility in order to use MTW Block Grant Funds as housing subsidy for participants in the Journey Home Program.

Status Update: The Journey Home Program was closed in FY2016. There are no active participants whose housing assistance is funded by HABC.

11C. *Energy Conservation Utility Allowance*

Description of MTW Activity: HABC provides a utility allowance (“UA”) to households responsible for payment of utilities for water, electricity, gas, other heating, cooking

fuels and sewage services. In an effort to reinforce energy conservation activities and reduce the cost of water/sewage utility allowances, HABC will encourage the completion of a water audit and use of low-flow toilets by HCV tenants and landlords/owners. HABC will conduct outreach to HCV landlords and tenants, where the household is responsible for payment of the water/sewer utility, to notify them of a locally funded opportunity to have a water audit conducted in their unit. Water audits will be conducted by the Department of Housing and Community Development, flow restrictors will be installed in the sink, the shower and water hook-up valves. Tenants will be provided with water conservation measures free of charge. Landlords/owners are required to repair any leaks identified during the water audit before the conservation efforts will be implemented.

Using its MTW authority, those HCV households that have participated in the water audit and had the flow restrictive devices installed will be eligible to have low-flow toilets purchased and installed, free of charge, by HABC. HABC will establish a conservation water/sewer UA for households who take part in and complete the water audit. HABC will apply the conservation water/sewer UA to the household at their first regular recertification after the conservation activities have been completed. Participation in the audit is not mandatory, however owners and tenants are incentivized to complete the audit to receive new toilets and reduce their water/sewer bills. Cost savings for this MTW initiative will be fully realized upon full reimbursement of the capital expenditure and upon adjustment of applicable UAs.

Baltimore City Tariff uses the latest approved tariff, including the Bay Restoration Fee to calculate the dollar amount of the unit price for water and sewer costs per unit size and corresponding average number of tenants for each unit. HABC contracted TA Engineering, Inc., which based the utility/water consumption on the findings of the American Water Works Association (AWWA) Research Foundation: "Residential End Uses of Water." These resources determined the average consumption per household and multiplied it by the City's tariff rate to get the dollar amount per 100 cubic feet (CCF). The average allowance for Baltimore City in 2013 was \$9.40/CCF. This increased by \$1.21 from 2012, when it was \$8.19/CCF. According to TA Engineering, Inc. there will be a probable reduction of 25-40% to the UA through these water conservation efforts. A new contract will be established to revise UA tables based on HUD Form 52667 that was to be completed in FY2016, and include a separate line item specifically for the energy conservation allowances.

Status: This MTW activity was placed on "HOLD" IN FY 2014 due to comments from the public and subsequently "CLOSED" in FY 2016.

12C. *The Front Door Program (Leased Housing)*****

Description/Update of MTW Activity: HABC partnered with the Mayor's Office of Human Services/Homeless Services Program, Sarah's Hope (a shelter for the homeless); and St. Vincent De Paul to provide MTW Block Grant funds to the Front Door Program to rapidly house 36 homeless families for up to one year using two distinct strategies. HABC will monitor each family's continuous occupancy for two-years after lease up.

Status Update: The contract ended December 31, 2014, six months into HABC's FY2015. The contract has not been renewed, and the activity is now closed.

13C. *Rent Increase Determinations (Leased Housing)*

Description/Update of MTW Activity: This activity will increase cost effectiveness in Federal expenditures by keeping program spending within budgetary limits. Suspending rent increase adjustments will keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.

Status Update: This MTW activity is intended to keep spending within budgetary limits. As such it was closed out in FY2016.

14C. *Limit on Interim Recertifications (Leased Housing)*

Description/Update of MTW Activity: Currently HABC conducts regular recertifications on a biennial basis for all households with some exceptions, i.e. households with homeownership vouchers. HABC conducts regular recertifications every three (3) years for elderly and/or disabled households on fixed incomes. HABC existing policy on interim reexamination is such that households may report decreases in income/increases in unreimbursed expenses at any time (voluntary interim recertification) and HABC will, upon verification of the change, process an interim rent reduction. Conversely, households are required to report certain changes in household composition and increases in income (required interim recertifications). In such cases, HABC will process an interim rent increase three months from the date of the change or on the effective date of the recertification, whichever comes earlier.

Status Update: This activity was placed on hold in FY 2014 due to comments received from the public and closed out in FY2016.

V. MTW Sources and Uses of Funding

This section of the Annual Plan describes HABC's planned sources and uses of MTW Block Grant. Planned sources and uses for other HUD, other federal, State and Local funds and other Non-MTW funds are described in a separate attachment. This financial plan is compiled based on current information and is subject to revision as conditions and/or assumptions change.

A. Planned Sources and Uses of MTW Funds

HABC's Moving-to-Work (MTW) Block Grant includes three major funding sources:

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) / Demolition or Disposition Transitional Funding (DDT), formerly known as the Replacement Housing Factor Fund (RHFF)

On December 24, 2013, HABC received HUD approval of a Portfolio Award under the Resident Assistance Demonstration (RAD) program covering 24 public housing sites for a total of more than 4,000 units. This Portfolio Award is HUD's commitment to reserve conversion authority for the identified units in the portfolio. The purpose of the award is to authorize conversion of public housing to PBRA under RAD. The conversion of units under RAD allows \$350 million of capital improvements to be completed at the selected housing sites.

As of February 2017, fourteen sites (Allendale, BE Mason, Bel Park, Brentwood, Chase, Ellerslie, Govans, Hollins House, Lakeview Towers, McCulloh extension, Primrose, Pleasant View Gardens Senior Building, Pleasant View Gardens Town Homes and Wyman House) totaling 2,670 units have successfully been converted to RAD. The FY 2018 MTW Plan as described below includes the assumption that 1,218 units will be converted to RAD during FY18.

(V) Sources and Uses of Funds

MTW PLAN

V.1.Plan.Sources and Uses of MTW Funds

A. MTW Plan: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

Sources

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 23,640,998
70600	HUD PHA Operating Grants	\$ 270,181,951
70610	Capital Grants	\$ 26,343,485
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 0
71100+72000	Interest Income	\$ 85,051
71600	Gain or Loss on Sale of Capital Assets	\$ 0
71200+71300+71310+71400+71500	Other Income	\$ 2,270,314
70000	Total Revenue	\$ 322,521,800

Notes to Sources:

1. Tenant Revenue is planned at a 97% occupancy rate. Total Tenant Revenue also includes estimated income billable from various tenant transactions such as warrant, court and maintenance costs anticipated during FY 2018.
2. HABC's Total Operating Grants of \$270,181,951 from HUD include the following funding estimates:
 - Section 8 HCV Housing Assistance Payments (HAP) subsidies in the amount of \$138,037,922 for Regular HABC Vouchers, including Port ins and \$54,373,339 for Thompson Partial Consent Decree and Remedial Vouchers.
 - Ongoing Administrative Fee Earned in the amount of \$12,292,543 (\$9,422,846 for Regular HABC Vouchers, \$2,869,697 for Partial Consent Decree and Remedial Vouchers) is calculated based on an estimated proration at 84%.
 - Public Housing Subsidies of \$65,478,147 is budgeted based on an estimated 90% funding proration for the fiscal year ending June 30, 2018.
 - Capital Fund soft costs in the amount of \$1,297,337 are estimated for administering the planned capital improvement and operating activities.
3. Capital Grants Hard Costs funding of \$26,343,485 is based on planned capital improvement and construction activities as described in the Capital Improvement Plan.
4. HABC does not report Fee Revenue as HABC has adopted a Local Asset Management Plan since FY 2010.
5. Until RAD transactions are completed, a gain or loss for disposal of capital assets is not estimated for the FY18 budget.
6. Other Income is related to vending machines, excess utilities, and lease income from the public housing program. It also includes Fraud Recovery for the recovery of funds from the Section 8 HCV program.

Estimated Uses of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 33,123,541
91300+91310+92000	Management Fee Expense	\$ 2,738,219
91810	Allocated Overhead	\$ (806,518)
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 1,854,386
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 17,987,623
93500+93700	Labor	\$ 0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 34,797,415
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 325,608
96100 (96110+96120+96130+96140)	Total insurance Premiums	\$ 3,452,429
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 8,640,129
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ 3,621,323
97100+97200	Total Extraordinary Maintenance	\$ 668,000
97300+97350	Housing Assistance Payments + HAP Portability-In	\$ 197,849,583
97400	Depreciation Expense	\$23,500,000
97500+97600+97700+97800	All Other Expenses	\$ 908,263
90000	Total Expenses	\$328,660,001

HABC’s projected total MTW Uses of Funds are as follows:

Total Expenses	\$328,660,001
Less: Depreciation Expense	\$(23,500,000)
Capital Hard Cost	\$26,553,485
MTW Uses of Funds	\$331,713,486

Uses of Fund exceed Sources of Fund by \$9,191,686 which will be funded by MTW reserves.

Notes to Expense:

1. Administrative expenses include salaries and benefits for administrative, CFP/DDT programs staff and absorbing previously split salaries and benefits for City of Baltimore. Also included are salaries and benefits for Housing Management staff at the Asset Management Project (AMP) levels as well as program staffs for the Section 8 HCV program. In addition, this category also includes operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies for all programs.
2. Management Fees expense includes fees for HABC’s Privately Managed Sites by outside management firms and fees to BRHP for the Mobility counseling program.
3. Allocated Overhead is calculated based on HUD’s approved Local Asset Management Program since FY 2010. The proposed updated cost allocation calculations for FY 2018 are included in Appendix C.
4. Tenant Services includes salaries, benefits, materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing.
5. Utilities include expenses for water, electricity, gas, steam and fuel consumed by HABC’s AMPs. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. Utility consumptions are adjusted based on addition or demolition activities planned for the fiscal year. In addition, applicable utility savings as a result of the Energy Performance Contract (EPC) has also been factored into the projected utility costs.
6. Ordinary Maintenance includes salaries and benefits of maintenance workers and crews assigned to public housing units. It also includes maintenance materials and maintenance contracts used for ordinary maintenance operations. This category also includes outside contract costs to privatized firms, which manage some of HABC’s public housing and affordable housing units.
7. Protective Services includes outside security contracts for the developments.
8. Insurance Premiums are budgeted for properties, general liability, worker’s compensation, automobiles, commercial crime, EDP data and media, boiler and machinery for the MTW activities.
9. Other General Expenses include compensated absences, collection losses for uncollected rent and Payment in Lieu of Taxes (PILOT).
10. Interest Expense is budgeted for interest associated with the EPC Debt Service.
11. Extraordinary Maintenance is planned for unforeseen break down of heating systems, boilers, chillers, etc. This line also includes Casualty Loss which are estimated for unforeseen repairs and losses at public housing units that are not covered by insurance carriers.

12. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants under the Section 8 HCV program. Section 8 HCV HAP expenditures are budgeted in the amount of \$195,084,783 (\$143,111,444 for Regular HABC Vouchers-including Port ins, \$27,466,118 for Partial Consent Decree Vouchers and \$24,507,221 for Remedial Vouchers). The Plaintiffs of the Thompson Consent Decree have created a non-profit corporation, Baltimore Regional Housing Partnership (BRHP) to serve as Administrator beginning January 2013 and therefore, the HAP amount for Thompson consent decree and remedial vouchers in FY 2018 is reported as a pass-through from HABC to BRHP.
13. Depreciation Expense is estimated for the costs of tangible fixed assets allocated over their useful lives. Depreciation expense is based on HABC's fixed asset records and depreciation methods.

B. Single Fund Flexibility

The MTW Agreement allows HABC to combine public housing operating and capital funds including DDT provided under Section 9, and HCV's tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide block grant funding source. HABC uses this combined funding source to carry out MTW program activities in support of MTW statutory objectives to achieve greater costs effectiveness and to increase housing choices for low-income families.

The following activities will take place in FY 2018 using single fund flexibility concept:

- HABC continues to use the prior year's MTW block grant reserve fund for renovation and development of UFAS units to meet the 504 accessibility requirements using single fund flexibility concept.
- Due to inadequate funding levels in FY 2017 of the Housing Choice Voucher Program (HCVP), HABC will use its MTW Single Fund Flexibility to fund and issue tenant-based vouchers to residents at O'Donnell Heights who must be relocated due to ground water penetration. HABC will issue the vouchers using Public Housing Operating Funds until HCVP funding levels are increased to fully cover the HAP expenses for the displaced residents.

V.2.Plan.Local Asset Management Plan

B. MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

or

 No

Is the PHA implementing a local asset management plan (LAMP)?

 Yes

or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

 Yes

or

HUD has approved HABC's Local Asset Management Program as part of the Annual Plan submission since FY 2010. The proposed updated cost allocation calculations for FY 2018 are included in Appendix C. The indirect cost rate for 2018 will be 14.28% for MTW and 13.59% for non-MTW.

C. The Rental Assistance Demonstration Program

In July 2014, the HUD released a revised version of the RAD Program. The Program allows public housing subsidy to be replaced with PBRA subsidy which can be combined with other resources such as LIHTC to raise needed capital for the renovation of public housing units. As such, the RAD Program will bring over \$350 million of new investment to HABC over a 3-year period. The majority of the renovation work will be focused on HABC's mixed population buildings throughout the city that serve the elderly and the non-elderly disabled.

Originally HABC submitted to HUD eleven applications and requested approval for a portfolio award to convert, under RAD, 22 public housing sites in HABC's inventory; however on February 12, 2015 HABC received HUD approval for an additional portfolio award to convert Broadway Overlook. Of the 23 sites now converting under RAD, 16 are mixed-population buildings, which house elderly and non-elderly disabled households. Two sites are designated for elderly-only households and the remaining are considered family public housing developments (conventional and privately managed). Since HABC's current inventory included 18 mixed-population sites, HABC plans to convert 98% (or 3,088 out of 3,147 units) of its mixed-population inventory to RAD. In FY 2018 HABC plans to move forward with converting the following public housing sites under the RAD Program:

1. Monument East
2. Somerset Court Extension
3. Rosemont Tower
4. J. Van Story Branch (West Twenty)
5. Hillside Park
6. Heritage Crossing
7. Townes at the Terraces
8. Arbor Oaks
9. Homes for Arundel

To maximize the RAD Program the public housing developments will be sold to private ownership entities in which an HABC affiliate will retain some ownership interest. HABC's development affiliate will retain control of the land under a ground lease with the private ownership entities. By statute the new owners are required to maintain the units for the same population and all current residents will have the choice to return to the same property upon completion of significant renovations, or remain in HABC's conventional public housing program. All future residents will come from HABC's public housing reasonable accommodation and applicant waiting lists.

Post -Conversion Changes in Policies that Govern Eligibility, Admission, Selection, And Occupancy of Units at the RAD Projects

The Housing Authority of Baltimore City (“HABC”) was a successful applicant in the Rental Assistance Demonstration (RAD) Program. When HABC converted to Project Based Rental Assistance (“PBRA”), HABC adopted certain of the resident rights set forth in Section 1.6 C and D, or Section 1.7 B and C, of the PIH Notice 2012-32, REV-1, which are the following:

- No existing residents will be rescreened upon conversion;
- The residents will have a right to return to an assisted unit at the renovated site in the event the resident must be temporarily relocated to facilitate rehabilitation of the site;
- Rent increase phase-in;
- Public Housing Family Self Sufficiency and Resident Opportunities and Self Sufficiency Service Coordinator programs for current participants;
- Resident Participation and Funding;
- Earned Income Disregard for existing resident already receiving this benefit; and
- Choice Mobility for conversion.

HABC used its MTW authority to obtain a waiver from HUD to apply its Long Term Affordable Criteria (the “LTA Criteria”) to the RAD units. The LTA Criteria addresses the following resident’s rights:

- Leasing RAD Units to applicants from HABC’s public housing waiting lists;
- Adopting some or all of the admissions and eligibility criteria in accordance with 24 CFR Part 960;
- Adopting some or all of the lease provisions that include terms required by HUD regulations governing the public housing program under 24 CFR 966.4, to include that landlords must automatically renew the leases of residents in LTA Units unless the landlord can show good cause for terminating the lease, and lease terminations;
- Adopting a grievance procedure similar to the procedure in HUD regulations governing public housing;
- Permitting residents in RAD Units who need a UFAS unit to transfer to a UFAS unit within HABC’s conventional public housing program or to other RAD sites;
- Setting rules regarding the payment of fees by applicants for LTA-PB Units that are generally consistent with the regulations governing fees required of public housing applicants, including application fees and security deposits; and
- Requiring the sites to adopt and follow HABC’s Reasonable Accommodation Policy and Operating Order.

A copy of the LTA Criteria setting forth these rights is attached here to as Appendix Q. Additionally, HABC is currently compliant with all fair housing and civil rights requirements and is under two (2) Voluntary Compliance Agreements; one In the Matter of Shanté Eley, and the other In the Matter of Felicia Allsup. HABC is also under a consent decree executed in *Rickie Bailey, et al v. HABC* (Civil Action No. JFM-02-CV-225) and *United States v. HABC* (Civil Action No. JFM-04-CV-03107).

The RAD statute was enacted to assist PHA’s in addressing its capital needs by providing HABC with access to private sources of capital to repair and preserve its affordable housing assets. Please

be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that the HABC may also borrow funds to address their capital needs. HABC currently has a debt under the Capital Fund Financing Program and will be working with the State of Maryland Housing and Community Development to address outstanding debts issues, which may result in additional reductions of capital funds.

Regardless of any funding changes that may occur as a result of conversion under RAD, HABC certifies that it will maintain its current service level for the remaining public housing inventory in order to ensure MTW Statutory requirement to serve substantially the same number of families is met.

VI. Administrative

Pursuant to Attachment B Section VI of HABC's MTW Agreement with the Department of Housing and Urban Development (HUD) the Fiscal Year 2018 MTW Annual Plan was made available for public review and comment for thirty (30) days beginning February 28, 2017, and ending on March 30, 2017. Copies of the FY 2018 Annual Plan were available at HABC's main offices, the Enoch Pratt Free Library and on the website at www.baltimorehousing.org. A public hearing was held on March 22, 2017 at 201 N. Aisquith Street, Baltimore MD 21202. ___ people attended the public meeting, and HABC reviewed and considered all comments that were received (See Appendix O). Signed copies of the Board Resolution signifying approval of the FY 2018 Annual Plan and the Certifications of Compliance with Regulations signifying the adoption of same are included as Appendix A.

HABC will continue to monitor and evaluate MTW activities during FY 2018. At this point, HABC does not intend to use external evaluators for new or ongoing MTW initiatives. Internal reports will be generated on a periodic basis to assess performance against proposed targets. Quarterly internal reviews are conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate by HABC in the MTW Annual Report.

This section of the Plan also provides a list of appendixes including materials required by HUD pursuant to the MTW Agreement and other information provided by HABC to inform HUD and the public of its MTW activities. The following is a list of appendixes:

Appendix A: Board Resolution and Certification of Compliance

Appendix B: Asset Management Table

Appendix C: FY 2018 Proposed Cost Allocation Methodology & Local Asset Management Plan

Appendix D: Certifications : HUD-50071 – Certification of Payments to Influence Federal Transactions

- SF-424 – Application for Federal Assistance
- HUD-52723 – Operating Fund Calculation of Operating Subsidy
- SF-LLL – Disclosure of Lobbying Activities

Appendix E: Summary of Proposed Changes to the Thompson Special Admin Plan

Appendix F: Summary of Proposed Changes to the HCV Administrative Plan

Appendix G: Matrix of ACOP, Lease and Grievance Changes

Appendix H: The Annual Statement/Performance and Evaluation Report

Appendix I: Private Management Portfolio

Appendix J: General Housing Information and MTW Sources & Uses

Appendix K: Office of Resident Services

Appendix L: Information Technology

Appendix M: Non-MTW Information

Appendix N: Amendments to the Annual Plan

Appendix O: Review of Comments Received and Subsequent Changes

Appendix P: The Public Process

Appendix Q: LTA Criteria

Appendix R: Phase II RAD Information